

## Entrepreneurship:

Entrepreneurship is the act of creating a business or businesses while building and scaling it to generate a profit. The more modern entrepreneurship definition is also about transforming the world by solving big problems. Like initiating social change, creating an innovative product or presenting a new life-changing solution. An entrepreneur is a person who sets up a business with the aim to make a profit. He or she can be a person who sets up their first online store on the side or a freelancer just starting out. An entrepreneur is someone who starts a side hustle that can eventually create a full-time, sustainable business with employees. Same with the freelancer if focused on creating a profitable business.

Intrapreneurship is the act of behaving like an entrepreneur while working within a large organization. An Intrapreneurship is the system wherein the principles of entrepreneurship are practiced within the boundaries of the firm. Intrapreneurship is acting like an entrepreneur within a larger organization. Intrapreneurs are usually highly self-motivated, proactive and action-oriented people who are comfortable with taking the initiative, even within the boundaries of an organization, in pursuit of an innovative product or service.

### Types of Entrepreneurs:

Small business entrepreneurship. In today's world, the majority of businesses are still small businesses.

Scalable Startup Entrepreneurship.

Large Company Entrepreneurship.

Social Entrepreneurship.

#### a) Small Business Entrepreneurship

Small businesses are grocery stores, hairdressers, consultants, travel agents, internet commerce storefronts, carpenters, plumbers, electricians, etc. They are anyone who runs his/her own business. They hire local employees or family. Most are barely profitable. Their definition of success is to feed the family and make a profit, not to take over an industry or build a 100 million business. As they can't provide the scale to attract venture capital, they fund their businesses via friends/family or small business loans.

#### b) Scalable Startup Entrepreneurship:

Unlike small businesses, scalable startups are what Silicon Valley entrepreneurs and their venture investors do. These entrepreneurs start a company knowing from day one that their vision could change the world. They attract investment from equally crazy financial investors – venture capitalists. They hire the best and the brightest freshers. Their job is to search for a repeatable and scalable business model. Their focus on scale requires even more venture capital to fuel rapid expansion. Scalable startups in innovation clusters (Silicon Valley, Shanghai, New York, Bangalore, Israel, etc.) make up a small percentage of entrepreneurs and startups but because of the outside returns, attract almost all the risk capital.

#### c) Large Company Entrepreneurship

Large companies have finite life cycles. Most grow through sustaining innovation, offering new products that are variants around their core products. Changes in customer tastes, new technologies, legislation, new competitors, etc. can create pressure for more disruptive innovation – requiring large companies to create entirely new products sold to new customers in new markets. Existing companies do this by either acquiring innovative companies or attempting to build a disruptive product inside. Ironically, large company size and culture make disruptive innovation extremely difficult to execute.

#### d) Social Entrepreneurship

Social entrepreneurs are innovators who focus on creating products and services that solve social needs and problems. But unlike scalable startups their goal is to make the world a better place, not to take market share or to create wealth for the founders. They may be nonprofit, for-profit, or hybrid.

### Types of Entrepreneur →

#### (i) According to Clarence Bank of →

♦ Aggressive/Innovative entrepreneur – The one who uses various combinations of information and factors of production to assemble and engineer new and innovative products.

♦ Imitative/Adoptive entrepreneur – The one who simply adopts a successful innovation introduced by other entrepreneurs.

♦ Fabian entrepreneur – The one who is timid and cautious in making bold decisions. Such an entrepreneur adopts innovations in his business only when he fears that not innovating may damage his business. These are entrepreneurs that are very careful in their approaches and cautious in adopting any changes. They are not prone to sudden decisions and try to shy away from any innovations or change that doesn't fit their narrative.

♦ Drone entrepreneur – A drone entrepreneur is one who refuses to adopt new innovations even at the cost of reduced returns. These are entrepreneurs who do not like a change. They are considered 'old school'. They want to do business in their own traditional or orthodox methods of production and systems. Such people attach pride and tradition to even outdated methods of doing business.

#### (ii) According to Authur H. Cole →

♦ Empirical entrepreneur – An entrepreneur who does not innovate and follows the rule of thumb.

♦ Rational entrepreneur – A rational entrepreneur is one who keeps himself updated with his business, the market and economic conditions, and introduces revolutionary ideas.

♦ Cognitive entrepreneur – An entrepreneur that seeks advice and services of experts to make changes which are revolutionary and reflect a complete shift from its existing structure.

#### (iii) According to Ownership →

♦ Public entrepreneurship – These are individuals who partner with the government to create enterprises which serve the public in innovative ways.

♦ Private entrepreneurship – These entrepreneurs are profit oriented and do not enter market which have low monetary rewards associated with it.

#### (iv) According to Scale of enterprise →

♦ Large scale entrepreneur – Large scale entrepreneurs are usually found in developed countries. These entrepreneurs introduce revolutionary ideas and are able to sustain high profits and develop new technologies as they possess the financial capacity and necessary resources to do so.

♦ Small scale entrepreneur – Small scale entrepreneurs do not have the necessary funds and technology to initiate large scale production and introduce revolutionary ideas.

### Nature of Entrepreneurship →

♦ Creation of an enterprise – It involves creation and operation of an enterprise.

♦ Organizing function – It brings together various factors of production for economic use.

♦ Innovation – It is an automatic, spontaneous and creative response to changes in the environment.

♦ Risk bearing capacity – It assumes uncertainty of future.

♦ Managerial and leadership function – It is responsible for controlling and coordinating the human resource and giving direction to an enterprise.

♦ Gap filling – It fills the gap between human needs and available products and services.

### Nature and importance of Entrepreneur:

Entrepreneurship comes from the French word 'Entreprendre' and the German word 'Unternehmen' both meaning individuals who are 'undertakers' i.e. those who took the risk of a new enterprise. Entrepreneurship is a dynamic activity that helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market, etc. It is a mental attitude to foresee risk and uncertainty and do something new in an effective manner to achieve certain goals.

An entrepreneur is an economic change agent with knowledge, skills, initiative, drive and spirit of innovation to achieve goals. He identifies and seizes the opportunity for economic benefits. He is a risk bearer, an organizer and an innovator.

According to Economists → An entrepreneur is the one who brings resources, labour, material and other assets into combination to produce a socially viable product, and also one who introduces changes, innovation and new order.

According to Management → A person with a vision and action plan to achieve it is an entrepreneur.

Functions of an entrepreneur →

- Identification of opportunities
- Introduction of a new product
- Gathering resources or introducing new methods of production
- Developing new markets

Role and Characteristics of an Entrepreneur →

Vision – He is able to visualize market demand, socio-economic environment and the future of business venture.

Knowledge – He has sound conceptual knowledge about all the technicalities of his business.

Desire to succeed – He has multiple goals and seeks opportunities to be productive.

Independence – He is independent in work and decision making

Optimism – He knows how to exploit opportunities.

Value addition – He does not follow the conventional rule of thumb, they have a desire to create, innovate and add value.

Initiative – He takes the initiative to make an action plan from limited resources.

Goal setting – He sets realistic goals.

Problem solver – He is creative in problem solving.

Good human relations – He is a good leader, motivator and team builder.

Communication skills – He has the ability to persuade others.

Entrepreneurial Traits and skills:

Ambitious:

Ambitious projects are often referred to as disruptive ventures. To get on top of things and the industry, yours should be the project that will disrupt the society's status quo. As an entrepreneur, your 'holy grail' is a product or a service that will shake up the industry radically. This includes the ability to change the way people view things, interact or label things.

Risk taker:

An entrepreneur is the definition of a risk taker. Business growth depends on your ability to dive into the future of uncertainty while embracing all the challenges and the problems that will cross your path. You should be willing to risk your money, time, and other unknown factors. To deal with these risks and the unknown, you should set aside resources, bandwidth, and plans to deal with the unknown.

Fearlessness:

Being an entrepreneur, one must be a risk taker and requires a fearless spirit. There will be scary moments, but your ability to maneuver and win over the fear is the power that will propel you and your business to greater heights.

Ability to listen to your gut instincts and to trust them:

There isn't one successful entrepreneur who faults or regrets trusting their instincts. In a normal consumer life as well as the business world, you have to listen to that little voice and step out when your gut says so. As a result of the impressive results reported by entrepreneurs who always trust their instincts, gut instincts have been

dubbed the sixth sense. This sixth sense is very powerful and you should be able and willing to trust and rely on it. It doesn't matter what the rest of the team thinks.

Visionary

Initiators cannot take on the entrepreneurship bull by the head and ride it without falling over or getting it to trample on you if you have a solid vision in mind. Perceptive and creative business visionaries tend to twist normal views, distort reality and eventually change the way people see the world. To be in the top entrepreneurial league, you should be able to cultivate these visions in your mind so as to make the big breakthroughs, which could never be envisioned by an ordinary person.

Motivation and passion

The most important trait ingrained in successful entrepreneurs is passion in what one does and the motivation to hit the big business storms every day without giving up. Because of passion, you will stay up late to complete unfinished tasks, wake up earlier for your customers to get their deliveries in time, work endlessly on the same thing without getting bored, willingness to make the business better and stronger, and the ability to be in love with that which you wake up to, every day. Without this and the internal motivation to make things work, you will not succeed in business.

**Need for achievement**

The need for achievement contrasts with the need for power, that is, a drive to dominate others in all situations, and with the need for affiliation—that is, a drive for close personal relationships. However, power and affiliate legitimacy may help with achievement and can thus be considered valuable means or resources that can help to satisfy the need for achievement.

McClelland believed that an achievement orientation develops during middle childhood through family socialization emphasizing high standards, self-reliance, and less dominant fathers. It manifests in behaviors such as problem-solving, feedback seeking, goals attainment, and risk-taking.

McClelland argued that the need for achievement is partially culturally determined with some societies producing fewer individuals with achievement orientations. Societies lacking in achievement-oriented individuals are expected to have lower average incomes.

**Controversy and evidence**

A controversial implication of the theory is that lower-performing economies can be boosted by adopting social policies that alter socialization processes in ways that encourage the development of more individuals with achievement motivations. This can be criticized as being a kind of social engineering though, because some cultures may have different value structures. For instance, well-being, simplicity, and tradition may be more valued in some cultures than innovations leading to more desire for achievement.

McClelland was careful to note, however, that achievements are not to be confused with outcomes such as wealth or income as these are merely measures of achievement, not achievements in themselves. The need for achievement is satisfied intrinsically with a feeling of personal accomplishment when getting something done in the world. Thus, the concept is quite broad and can be applied in most circumstances. For instance, in a culture that values well-being or human development, an individual may feel achievement by bringing about greater levels of achievement in other individuals in the society.

Evidence for the theory seems fairly strong, with meta-analyses confirming a positive relationship between need for achievement and entrepreneurial entry and performance. There is also meta-analytic evidence that the need for achievement is stronger in entrepreneurs than in managers.

The problem with theories like these is that while many entrepreneurs may display a need for achievement, many non-entrepreneurs may also have a strong need for achievement that is satisfied with success in other professional careers. Thus, it offers only a partial picture of the drivers of entrepreneurial entry.

Tech savviness

You don't have to be a pro in all matters technology and programming but in this digital age, one should have the least possible capacity to market products or services online and to connect to your customers, competitors, or

suppliers through social media platforms. Digital marketing is crucial and you should do some basic SEO. You should also use the company's and your personal social media platforms to build and enhance your business brand.

**Good financial management skills**

You need to manage your money. Even when you have a CFO, you still have to control things and help in making business decisions concerning money. Besides financial management, you must have the ability and the capacity to raise funds. To get investors interested in your business, you should be able to show them what you have and what their investment can do for your business. In conclusion, the success of your business depends on these skills and traits. A rapidly growing business is one that is not only disruptive, but also one that leaves a positive impact in society. Your goal in business shouldn't just be raising a lot of money, but you should have the vision to change things around to benefit the whole society.

**Start-up:**

The term "startup" refers to a company in the first stages of operations. Startups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally start with high costs and limited revenue, which is why they look for capital from a variety of sources such as venture capitalist (A venture capitalist (VC) is a private equity investor that provides capital to companies with high growth potential in exchange for an equity stake. This could be funding startup ventures or supporting small companies that wish to expand but do not have access to equities markets.).

A startup is a young business or company founded by one or more entrepreneurs to develop a unique product or service and bring it to market. By its nature, the typical start-up tends to be a shoestring operation, with initial funding from the founders or their friends and families. So, a start-up is a company or project undertaken by an entrepreneur to seek, develop, and validate a scalable business model. These companies typically don't have a fully developed business model and, more crucially, lack of adequate capital to move onto the next phase of business. Most of these companies are initially funded by their founders.

Start-ups can use seed capital (seed capital is the fund raised to start developing an idea for a new business or new idea or a new product. It generally covers the cost of creating a start-up proposal) to invest in research and to develop their business plans. Market research helps determine the demand for a product or service, while a comprehensive business plan outlines the company's mission statement, vision, and goals, as well as management and marketing strategies.

Entrepreneurial skill and trait for startup:

**Passion**

This is the most significant characteristic that every entrepreneur has, and for obvious reasons. They are successful because they love what they do. These entrepreneurs put all the extra hours they have into the business to make it successful and flourish. It is a pleasure for them to see the results of their labour, which goes well beyond the money received. People like this are always researching and reading things to find strategies on how they can make their business better.

**Strong work ethic**

Entrepreneurs who are successful make sure that they are always the one who is first to the office and the last one to leave. These people are those who ensure that they come to the office during their off days, if needed, just to ensure that the outcomes meet their expectations. The successful entrepreneurs are those who always have their mind in their work, even if they are not in their workplace.

Strong people skills:

A successful entrepreneur is someone who has excellent communication skills for selling the products to customers and motivating the employees. Yes, most entrepreneurs who have the power to motivate their employees can see their business grow within no time. These entrepreneurs are also great at instructing others to be successful and highlighting the advantages of any situation.

**Determination**

The successful entrepreneurs are never greatly impacted by the defeats they encounter. For them, failure is like an opening for a success story, and hence, they try again and again just till they get the success they are expecting. Moreover, these entrepreneurs are not wired to believe that some things are not possible and cannot be done.

**Creativity**

One of the main aspects of creativity is the ability to find a relationship between two unrelated situations or events. They usually come up with the solutions of these problems that are a combination of other things. These people normally re-purpose the items for marketing them to new industries.

**Competitiveness**

The number of companies formed are increasing every month and every year, as every entrepreneur feels that they can do a much better job than others. They run with the aim that they need to win at the sport they play and win the business that they are creating or have created. It is an entrepreneur that highlights the track record of success of their company.

**Self- Starter**

Every successful entrepreneur knows that if something has to be done, it needs to be done by themselves. Parameters are set by them, and they ensure that the projects are following that path. They do not wait for someone to permit them and are highly proactive.

Open Minded

For those entrepreneurs that are successful or are following others who have been successful, understand that each situation and event is a business opportunity. There are new ideas that continually come out regarding new potential businesses, people skills, efficiency, and workflows. These people have the capability to see all that is around them and direct the focus towards their objectives and goals.

**Confidence**

A successful entrepreneur never asks the question or keeps doubts in their mind about if they can succeed or if they are even worthy of success. They are normally confident enough that their knowledge and their know-how will help them make their business idea a success. And they radiate this confidence in everything that they do for the business.

Disciplined

Successful entrepreneurs always focus their energy on making the business work, and for eliminating the distractions or obstacles to their goals. Their overarching strategies help them to reach the goals they have while they outline the plan to achieve the final outcome. Moreover, entrepreneurs become successful as they are disciplined to always make new steps every day towards the accomplishment of their goals. Other than these traits, every successful entrepreneur just wants to see what is at the top of the business mountain and they will pick up everything they get on the path while on their way up. But that is not where their determination ends. As soon as they see it, they want to move ahead and see more. One of the most important things about successful entrepreneurs is that they know exactly how to talk to their employees. These are all the reasons why their business soars. So, if you are about to embark on the journey to be an entrepreneur, have just entered the journey or have been in the journey but have not seen success, you need to adopt these traits and make them a part of you for gaining success.

Entrepreneurial Motivation:

According to McClelland, entrepreneurs do things in a new and better way and make decisions under uncertainty. Entrepreneurs are characterized by a need for achievement or an achievement orientation, which is a drive to excel, advance, and grow. By focusing in on a particular need, he was able to challenge the then prevailing great man theory of entrepreneurship as well as religious theories of entrepreneurship. He believed that entrepreneurship is learned and that such learning can be encouraged fruitfully.

Need for achievement

The need for achievement contrasts with the need for power—that is, a drive to dominate others in all situations, and with the need for affiliation—that is, a drive for close personal relationships. However, power and affiliate legitimacy may help with achievement and can thus be considered valuable means or resources that can help to satisfy the need for achievement. Achievement orientation develops during middle childhood through Family and socialization. Family socialization emphasizing high standards, self-reliance, and less dominant fathers. It manifests in behaviors such problem-solving, need for and use of feedback, reaching goals through effort, and moderate risk-taking. The need for achievement is partially culturally determined with some societies producing fewer

individuals with achievement orientations. Societies lacking in achievement-oriented individuals are expected to have lower average incomes.

#### Controversy and evidence

A controversial implication of the theory is that lower-performing economies can be boosted by adopting social policies that alter socialization processes in ways that encourage the development of more individuals with achievement motivations. This can be criticized as being a kind of social engineering though, because some cultures may have different value structures. For instance, well-being, simplicity, and tradition may be more valued in some cultures than innovations leading to more desire for achievement. McClelland was careful to note however, that achievements are not to be confused with outcomes such as wealth or income as these are merely measures of achievement, not achievements in themselves. The need for achievement is satisfied intrinsically with a feeling of personal accomplishment when getting something done in the world. Thus, the concept is quite broad and can be applied in most circumstances. For instance, in a culture that values well-being or human development, an individual may feel achievement by bringing about greater levels of achievement in other individuals in the society.

Evidence for the theory seems fairly strong, with meta-analyses confirming a positive relationship between need for achievement and entrepreneurial entry and performance (see Collins et al., 2004). There is also meta-analytic evidence that the need for achievement is stronger in entrepreneurs than in managers (Steward and Roth, 2007). The problem with theories like these is that while many entrepreneurs may display a need for achievement, many non-entrepreneurs may also have a strong need for achievement that is satisfied with success in other professional careers. Thus, it offers only a partial picture of the drivers of entrepreneurial entry. Moreover, there are many other competing theories from psychology, including:

Ambiguity tolerance theory

Disagreeableness Theory

Impassivity theory

Passion theory

Locus of control theory

Alertness theory

Expectancy theory

Self- efficacy theory

Regulatory focus theory

Planned behaviour

Resilience theory

A brief description of these three follows:

#### Need for Achievement ("n Ach"):

This is the drive to excel, to achieve in relation to a set "standard, and to strive to succeed. In other words, need for achievement is a Behaviour directed towards competition with a standard of excellence. McClelland found that people with a high need for achievement perform better than those with a moderate or low need for achievement, and noted regional, national differences in achievement motivation.

Through his research, McClelland identified the following six characteristics of high need achievers:

1. High-need achievers have a strong desire to assume personal responsibilities for performing a task or finding a solution to a problem.
2. High need achievers tend to set moderately difficult goals and take calculated risks
3. High need achievers have a strong desire for performance feedback
4. They have a need for achievement for attaining personal accomplishment.
5. They look for challenging tasks.
6. The high need-achievement individuals are not buck-passers.

#### Need for Power ("n Pow"):

The need for power is concerned with making an impact on others, the desire to influence others, the urge to change people, and the desire to make a difference in life. People with a high need for power are people who like to be in control of people and events. These result in ultimate satisfaction to man.

People who have a high need for power are characterized by:

1. A desire to influence and direct somebody else.
2. A desire to exercise control over others.

#### 3. A concern for maintaining leaders-follower relations.

##### Need for Affiliation ("n Aff"):

The need for affiliation is defined as a desire to establish and maintain friendly and warm relations with other people. The need for affiliation, in many ways, is similar to Maslow's social needs.

The people with high need for affiliation have the following characteristics:

1. They have a strong desire for acceptance and approval from others.
2. They tend to conform to the wishes of those people whose friendship and companionship they value.
3. They value the feelings of others.

As regards the above three needs, McClelland holds the view that all three needs may simultaneously be acting on an individual. But, in the case of an entrepreneur, the high need for achievement is found dominating one.

Entrepreneurial personality. Personality traits include the human characteristics, abilities, motives, attitudes and values which shape the individual person's experiences and actions. Hence, personality traits cause the mental and behavioral processes of individuals. The five other personality traits entrepreneurs must have:

##### 1. Passion

Entrepreneurs aren't in it for the money. While that may be an added bonus, the true benefit is doing what they love. Building a business takes a lot of time and effort. It means putting in longer hours and doing extra work. If you don't love what you do, you're not going to want to do what it takes to achieve success.

Entrepreneurs aren't afraid of hard work because they are so focused on their dream and their vision. They don't give up when a challenge arises. They stick with their passion and see it through. As Steve Jobs once said, according to the Smithsonian Institution, "I'm convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance."

##### 2. Motivation

Entrepreneurs are dedicated to their work. They aren't reliant on a manager or colleague to push them toward their goals or to get their work done. Their drive comes from within and allows them to motivate others in turn. Entrepreneurs know how to fulfill dreams.

##### 3. Optimism

When someone is just starting out, it can seem like getting business off the ground will never happen. But entrepreneurs don't think like that. They are optimistic about the future and are always looking ahead.

Entrepreneurs have a vision they share with others. Their team understands why they do what they do, what the goal is and what their role is on the path to success. To be a successful entrepreneur, one must be goal-oriented. But it's not enough to just set goals. You must make a plan and do everything you can to reach those goals. Everything you do must have a purpose.

##### 4. Creativity

Entrepreneurs don't think the same way as everyone does. They see the world differently and think outside the box. Businesses are built on big ideas, and those big ideas need to come from a place of creativity, from a way of thinking that differs from everyone's thought. Entrepreneurs are always looking for new ways of doing things and how they can make them better. They aren't satisfied with the status quo. By being creative, they come up with ideas that change the world.

##### 5. Risk-Takers

Risk taking is par for the course when any one starts a new business. But taking risks shouldn't be scary. It's necessary to achieve goals, and a successful entrepreneur understands it better. Entrepreneurs don't let uncertainty and potential failure stop them from doing what needs to be done. Instead, entrepreneurs look at challenges and risks as opportunities, not as problems.

Incubation stage will be 6-12 months where start-up companies graft product development and prepare themselves for marketing. During this stage, the entrepreneur takes up the role of a 'Technopreneur', who brings all his efforts (such as technology, team, seed money) to build a market viable prototype (MVP's).

There are various business incubators that target businesses that want to establish themselves formally in the market. Such businesses with great growth potential might require various types of support such as planning, training and development, research support and so on.

The whole process of business incubation is broadly divided into three categories:

#### PHYSICAL FACILITY SUPPORT

This refers to the incubation service provided within the physical facility.

#### NETWORKING FACILITIES

After the physical facility, business incubators help the start-up with networking facilities so as to grow the business.

#### SUPPORT SERVICES

Once the business is up and running, the incubators offer various support services to the businesses in order to run the business smoothly.

#### Who are Incubators?

An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.

Business Incubation programs are often sponsored by private companies or municipal entities and public institutions, such as colleges and universities. Their goal is to help create and grow young businesses by providing them with necessary support and financial and technical services. There are approximately 900 business incubators nationwide, according to the [National Business Incubation Association](#).

Incubators provide numerous benefits to owners of start-up businesses. Their office and manufacturing space is offered at below-market rates, and their staff supplies advice and much-needed expertise in developing business and Marketing plans as well as helping to fund fledgling businesses. Companies typically spend an average of two years in a business incubator, during which time they often share telephone, secretarial office, and production equipment expenses with other start-up companies, in an effort to reduce everyone's overhead and operational costs.

#### MOD II

#### Entrepreneurial Environment:

Entrepreneurial environment is a collection of external factors and conditions for entrepreneurs to engage in entrepreneurial activities, including government policies, laws and regulations, socio-economic conditions, venture capital support, non-capital support, and entrepreneurship and management skills.

#### Factorial Agents or players of Entrepreneurial Environment:

- Entrepreneurial Ecosystems.
- Intrapreneurship.
- Social Entrepreneurship.
- Aboriginal (Indigenous) Entrepreneurship.
- Community-Based Enterprises and Community-Based Entrepreneurship.
- Family Businesses.

#### Elements of Entrepreneurial environment

The six elements in the Entrepreneurial environment are (PESTLE)

- Political,
- Economic,
- Social,
- Technological,
- Environmental and
- Legal.

#### The common factors of the environment affecting entrepreneurship are;

- Venture capital Availability.
- Presence of experienced entrepreneurs.
- Technically skilled labour force.
- Accessibility of suppliers.
- Accessibility of customers or new markets.
- Favourable government policies.
- The proximity of Universities and Research Institutions
- Availability of Infrastructural facilities.
- Accessibilities of Transportation

- Receptive population
- Availabilities of support system
- Attractive living conditions

#### Opportunity Identification:

Entrepreneurs discover opportunities when they search for them in existing markets. This means they observe technological, economic or social trends. Recognizing opportunities is a cognitive process. It relies on the ability of people to recognize patterns and connect the spots.

#### Mechanism to identify the opportunity:

Identify what draws the customers in and promote entrepreneurship.

Look at other markets - exporting into other countries may open up new opportunities. Consider carefully the market structure, size and demand.

To increase the likelihood of success, research the competitors, local habits and the likely demand for the targeted products or services.

#### Issues relating to location:

The faulty selection of location can lead to high costs, a lack of talent, and a lack of customers. The right location can provide access to capital, a skilled workforce, and a large market. There are a number of factors to consider when choosing a location for your startup. The most important factor is the market. A location factor is an overall total project factor for translating all of the project cost elements of a defined construction project scope of work from one geographic location to another.

Low-visibility locations are among the biggest problem facing business owners. Visibility might be blocked by large buildings or freeways. For this reason, big businesses usually invest in large, free-standing signs advertising their location, which may not be a feasible investment for a small business.

Facility location is a typical planning problem that needs to be looked at in an integrated process. Key issues to be addressed in this process are the demand for the service the facility offers (over space), its characteristics (functions, area requirement etc.) and the suitability of possible locations.

A good neighborhood often has indicators of its stability from well-kept homes and yards,

- convenience to amenities
- low crime rates,
- public transportation,
- public schools, and
- paved roads.

Other issues are: raw material, land, water, labor, capital, power, transport, and market. For ease of convenience, An entrepreneur can classify the location factors into two: geographical factors and non-geographical factors.

#### Environmental Problems:

The issues related to environmental impact in business are diverse and wide-ranging. They include resource depletion, pollution of air, water, and soil, habitat destruction, greenhouse gas emissions, waste generation, and the loss of biodiversity.

#### Environmental Pollution Act:

It empowers the Central Government to establish authorities charged with the mandate of preventing environmental pollution in all its forms and to tackle specific environmental problems that are peculiar to different parts of the country.

Environmental pollution is defined as "the contamination of the physical and biological components of the earth/atmosphere system to such an extent that normal environmental processes are adversely affected". Air pollution, water pollution, and land pollution are three major forms of environmental pollution. Pollution can also refer to excessive human activity, such as light and noise pollution, or to specific pollutants such as plastic or radioactive material.

Air pollution is bad for business. Around 1.2 billion workdays are lost globally each year due to air pollution, which could reach 3.8 billion days by 2060. Employees breathing polluted air are much more likely to get sick and experience reduced cognitive performance. Production, distribution, transportation, storage, and consumption of

goods and services are known to be the most serious sources of pollution in the environment. Most enterprises are responsible for causing air, water, land and noise pollution.

Top environmental factors that will affect your business include storms, loss of resources, inflation, and scarcity of food and water. These economic concerns are likely to be secondary to the risks to human health.

The companies and industries should comply with the rules laid down by the government with respect to prevention of environmental pollution. The businesses should take steps to save the environment by setting up campaigns of planting trees, cleaning of water resources.

The Air (Prevention and Control of Pollution) Act was enacted in 1981 and amended in 1987 to provide for the prevention, control and abatement of air pollution in India.

The **Central Pollution Control Board (CPCB)** of India is a statutory organization under the Ministry of Environment, Forest and Climate Change (Mo.E.F.C.C.). It was established in 1974 under the Water (Prevention and Control of pollution) Act, 1974. The CPCB is also entrusted with the powers and functions under the Air (Prevention and Control of Pollution Act, 1981). It serves as a field formation and also provides technical services to the Ministry of Environment and Forests under the provisions of the Environment (Protection) Act, 1986. It coordinates the activities of the State Pollution Control Boards by providing technical assistance and guidance and also resolves disputes among them. It is the apex organization in the country in the field of pollution control,<sup>[3]</sup> as a technical wing of MoEFCC. The board is led by its chairperson appointed by the Appointments Committee of the Cabinet of the Govt. of India. The current acting chairman is Shri Tanmay Kumar (August 2021) and the Member Secretary is Prashant Gargava.

CPCB has its head office in New Delhi, with seven zonal offices and 5 laboratories. The board conducts environmental assessments and research. It is responsible for maintaining national standards under a variety of environmental laws, in consultation with zonal offices, tribal, and local governments. It has responsibilities to conduct monitoring of water and air quality,<sup>[4]</sup> and maintains monitoring data. The agency also works with industries and all levels of government in a wide variety of voluntary pollution prevention programs and energy conservation efforts. It advises the central government to prevent and control water and air pollution. It also advises the Governments of Union Territories on industrial and other sources of Water and air pollution. CPCB along with its counterparts the State Pollution Control Boards (SPCBs) are responsible for the implementation of legislation relating to the prevention and control of environmental pollution.

#### Industrial Policies and Regulation:

Industrial Policy is the set of standards and measures set by the Government to evaluate the progress of the manufacturing sector that ultimately enhances economic growth and development of the country. The government takes measures to encourage and improve the competitiveness and capabilities of various firms.

#### MOD III

##### 6 basic steps to convert the business opportunities into realities:

1. Research the Market. One may have a good business idea, but unless there is a viable market for it, your product or service won't get off the ground.
2. Test the business idea.
3. Write a Business Plan.
4. Develop a Financial Plan and Forecast.
5. Choose a Legal Structure.
6. Create a Marketing Strategy.

#### Requirements of Setting up a new small business:

An ownership or business structure.

A business registration certificate.

A legal license or seller's permit (as well as other legal documents)

A source of funding.

#### Location Issues to Consider

- Demographics. There are two important angles to the issue of demographics.

- Foot Traffic. ...
- Accessibility and Parking. ...
- Competition. ...
- Proximity to Other Businesses. ...
- Ordinances. ...
- Utilities and Other Costs Rent is certainly the major portion of your ongoing facilities expense, but it's not all. ...
- Room for Growth.

#### Demographics:

There are two important angles to the issue of demographics. One is your customers; the other is your employees. First, consider who your customers are and how important their proximity to your location is. For a retailer and some service providers, this is critical; for other types of businesses, it may not be as important. The demographic profile you've developed of your target market will help you make this decision.

Then, take a close look at the community. If your customer base is local, then the population large enough or does a sufficient percentage of that population match your customer profile to support to business. Does the community have a stable economic base that will provide a healthy environment for your business? Be cautious when considering communities that are largely dependent on a particular industry for their economy, a downturn could be a death knell for your company.

#### Now think about your work force.

- What skills do you need, and are people with those talents available?
- Does the community have the resources to serve their needs?
- Is there sufficient housing in the appropriate price range?
- Will your employees find training schools, recreational opportunities?
- Do your employees feel good about you?

Foot traffics: For most retail businesses, foot traffic is extremely important. This should not be located in a dead corner. For confidentiality, the entrepreneur dead corner may not be a problem.

#### Proximity to Other Businesses:

Take a look at what other businesses and services are in the vicinity from two key perspectives. First, consider whether you can benefit from nearby businesses, either by the customer traffic they generate, or because those companies and their employees could become your customers, or because it may be convenient and efficient for you to be their customer.

Second, think about how they will enrich the quality of your company as a workplace. Is there an adequate selection of restaurants so your employees have places to go for lunch? Is there a nearby day-care centre for employees with children? Are other shops and services you and your employees might want conveniently located?

#### Ordinances

Find out if any ordinances or zoning restrictions could affect your business in any way. Check for the specific location you're considering as well as neighboring properties-you probably don't want a night club opening up next to your day-care Centre. The Building's Infrastructure Many older buildings do not have the necessary infrastructure to support the high-tech needs of contemporary operations. Be sure the building you're considering has adequate electrical, air conditioning and telecommunications service to meet your business's present and future needs. It's a good idea to hire an independent engineer to check this out for you, so you're sure to have an objective evaluation.

#### Room for growth

Look at the facility with an eye to the future. It's generally unwise to begin with more space than one needs, but if he/she anticipates growth, be sure the facility one chooses can accommodate.

#### Environmental problems:

Top environmental factors that will affect your business include storms, loss of resources, inflation, and scarcity of food and water. These economic concerns are likely to be secondary to the risks to human health.

Environmental Factors Affecting Entrepreneurship

- 1. Venture Capital Availability
- 2. Presence of Experienced Entrepreneurs
- 3. Technically Skilled Labor Force
- 4. Accessibility of Suppliers
- 5. Accessibility of Customers or New Markets
- 6. Favorable Governmental Policies
- 7. The Proximity of Universities and Research Institutions
- 8. Availability of Infrastructural Facilities
- 9. Accessibility of Transportation
- 10. Receptive Population
- 11. Availability of Supporting Services

Entrepreneurship may not grow without environmental support and healthy living conditions.

People in society live under the umbrella of a certain environment. Therefore, entrepreneurship emerges within the environmental context in every society of the world.

The specific elements of the environment that are external that affect entrepreneurial growth and development are still a debated issue among experts.

The four main environmental issues that are most likely to influence the activities of a business are climate change, pollution, sustainability and waste reduction.

- Climate change. Climate change refers to long-term changes to weather patterns.
- Pollution.
- Sustainability.
- Waste reduction.

The major environmental factors in business are technological factors, economic factors, social factors, political factors and cultural factors. These environmental factors are further classified as either specific factors or general factors.

External Environment Factors That Affect Entrepreneurship

- Political Factors.
- Economic Factors.
- Social Factors.
- Technological Factors.
- Legal Factors.

- Demographic Factors.
- Ethical Factors.
- Natural Factors.

6 Must-Have Policies for Every Company

- Nevertheless, there are some policies which are must-haves for most companies:
- 1) Code of Conduct.
- 2) Policy on Equality.
- 3) Policy on Health and Safety at Work.
- 4) Policy on the Use of Social Media and the Internet.
- 5) Policy on Data Protection.

The main feature of the new industrial policy was to create a more competitive environment in the economy and growth of the business. The main features of the policy are as follows: De-licensing Policy: The new policy abolished compulsory licensing for all projects, except for six industries.

The new industrial policy did not only focus on the economic reforms but also on LPG (Liberalization, Privatization, and Globalization). Through this policy, privatization started on a large scale and in almost every industrial sector.

Accounting:

Accounting is the process of recording financial transactions pertaining to a business. The accounting process includes summarizing, analyzing and reporting these transactions to oversight agencies, regulators and tax collection entities. Accounting plays a vital role in running a business because it helps you track income and expenditures, ensure statutory compliance, and provide investors, management, and government with quantitative financial information which can be used in making business decisions.

Balance sheet: a statement of the assets, liabilities, and capital of a business or other organization at a particular point in time, detailing the balance of income and expenditure over the preceding period. In financial accounting, a balance sheet is a summary of the financial balances of an individual or organization, whether it be a sole proprietorship, a business partnership, a corporation, private limited company or other organization such as a government or not-for-profit entity. The purpose of a balance sheet is to give interested parties an idea of the company's financial position, in addition to displaying what the company owns and owes. It is important that all investors know how to use, analyze and read a balance sheet. A balance sheet may give insight or reason to invest in a stock.

| Cr      | Dr      | Balance               |
|---------|---------|-----------------------|
| 10,000/ | 7,000   | 3,000/                |
| 15,000/ | 16,000/ | 2,000/ equity (value) |

Market value: decrease equity slowdown

Working capital:

Working capital, also known as net working capital (NWC), is the difference between a company's current assets, such as cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, such as accounts payable.

Working capital management is a business strategy designed to ensure that a company operates efficiently by monitoring and using its current assets and liabilities to the best effect.

A well-run firm manages its short-term debt and current and future operational expenses through its management of working capital, the components of which are

- inventories,
- accounts receivable,
- accounts payable, and cash.

#### Types of Working Capital

- Permanent Working Capital.
- Regular Working Capital.
- Reserve Margin Working Capital.
- Variable Working Capital.
- Seasonal Variable Working Capital.
- Special Variable Working Capital.
- Gross Working Capital.
- Net Working Capital.

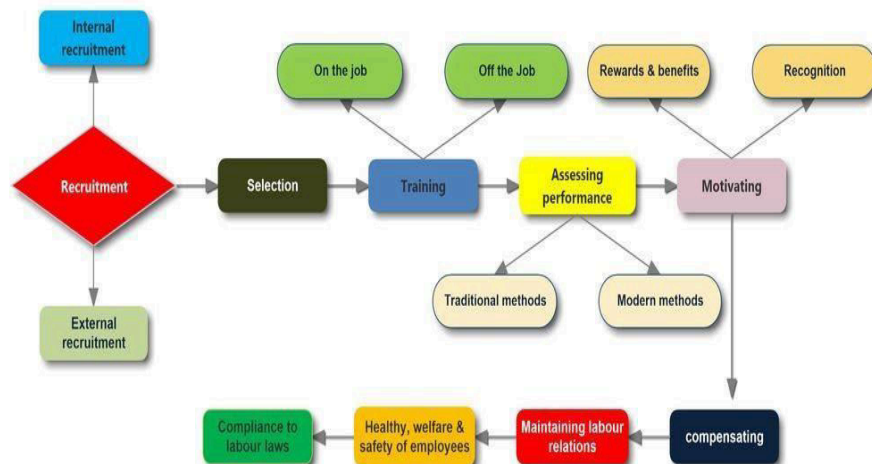
Examples: Cash and cash equivalents—including cash, such as funds in checking or savings accounts, while cash equivalents are highly-liquid assets, such as money-market funds and Treasury bills. Marketable securities—such as stocks, mutual fund shares, and some types of bonds.

Working capital is the money used to cover all of a company's short-term expenses, which are due within one year. Working capital is used to purchase inventory, pay short-term debt, and day-to-day operating expenses. Working capital is critical since it is required to keep a business operating smoothly. Proper management of working capital is essential to a company's fundamental financial health and operational success as a business. The working capital ratio, which divides current assets by current liabilities, indicates whether a company has adequate cash flow to cover short-term debts and expenses.

Human Resource Management is the process of recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade.

www.whatishumanresource.com

## HRM Process



Human Resource Management involves management functions like planning, organizing, directing and controlling

- It involves procurement, development, maintenance of human resource
- It helps to achieve individual, organizational and social objectives
- Human Resource Management is a multidisciplinary subject. It includes the study of management, psychology, communication, economics and sociology.
- It involves team spirit and team work.
- It is a continuous process.

Human resource management as a department in an organisation handles all aspects of employees and has various functions like Human Resource Planning, Conducting Job analysis, Recruitment and conducting job interviews, selection of human resources, Orienting, Training, compensating, Providing benefits and incentives, appraising, retaining, Career Planning, Quality of Work Life, Employee Discipline black out Sexual Harassments, human resource auditing, maintenance of industrial relationship, looking after welfare of employees and safety issues, communicating with all employees at all levels and maintaining awareness of and compliance with local, state and federal labour laws.

Behind production of every product or service there is a human mind, effort and man hours (working hours). No product or service can be produced without the help of human beings. Human beings are fundamental resources for making or constructing anything. Every organisation desires to have skilled and competent people to make their organisation competent and best.

Job analysis in human resource management (HRM) refers to the process of identifying and determining the duties, responsibilities, and specifications of a given job.

Job analysis in HRM helps establish the level of experience, qualifications, skills and knowledge needed to perform a job successfully.

#### Job specification:

It is known as employee specifications. A job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands.

#### Job description:

Job description is a broad, general, and written statement of a specific job, based on the findings of a job analysis. It generally includes duties, purpose, responsibilities, scope, and working conditions of a job along with the job's title, and the name or designation of the person to whom the employee reports.

#### Labour Laws:

These laws include: Factories Act, 1948; Mines Act, 1952; Dock Workers Act, 1986; Contract Labour Act, 1970; and Inter-State Migrant Workers Act, 1979. This Code was introduced in the Lok Sabha on 23 July 2019 and has since been referred to a standing committee for its comments. Estimates vary but there are over 200 state laws and close to 50 central laws. And yet there is no set definition of "labour laws" in the country. Broadly speaking, they can be divided into four categories.

The government hopes that India would be able to implement all four codes on wages, industrial relations, social security and occupational safety, health and working conditions. These are expected to improve the ease of doing business and safeguard the interest of workers. In the Industrial Relations Code Bill, 2020, the government has proposed to introduce more conditions restricting the rights of workers to strike, alongside an increase in the threshold relating to layoffs and retrenchment in industrial establishments having 300 workers from 100 workers or more at present. 4/12/2020

The Occupational Safety, Health and Working Conditions Code, 2020, amends laws regulating occupational safety, health and working conditions of employees. The code empowers a state government to exempt any new factory from the provisions of the Code to create more economic activity and jobs.

#### Three basic rights of workers:

- ✓ the right to be consulted about safety in the workplace.
- ✓ the right to workers compensation and the right to fair pay and conditions.
- ✓ the right to a fair and just workplace.

#### Central and State level Organisation for Entrepreneurship Development:

The government of India constituted a board, namely, Small Scale Industries Board(SSIB) in

The government of India constituted a board, namely, Small Scale Industries Board(SSIB) in Small Scale Industries Board (SSIB):

The SSIB is also known as the central small industries board.

It is also known as the Central small industries board. The range of development working small scale industries involves several departments and institutions under State and Central Government to facilitate Small scale Industries like:

National Small Industries Corporation (NSIC): NSIC offers a package of assistance for the benefit of Small-Scale Industries.

1. Single Point Registration
2. Information Centre
3. Raw material assistance
4. Meeting credit needs of SSI (Small Scale Industries)
5. Performance and Credit limit: NSIC offers credit rating by international agencies subsidized for small enterprises upto 75% to get credit terms from banks and export orders from foreign buyers.
6. Marketing assistance programme

Small Industries Development Organisation: SIDO is a subordinate office of the department of SSI (Small scale industries) and ARI (Agro and Rural Industries). It takes various programs like Training, consultancies, evaluation for needs of SSI and development of industrial estates

KVIC (Khadi and Village Industries Commission): It is a statutory body created by an act of parliament for cottage industries and rural development. It functions in the area of promotion, reserve of raw materials and implements for supply to producers, creation of common service facilities for processing of raw materials and provision of marketing of KVIC products.

National Small Industries Corporation Ltd. (NSIC): This is established with objectives to promote, aid and foster the growth of SSIs in the country through a progressive attitude towards modernization, upgradation of technology, quality consciousness, strengthening linkages with large scale and medium scale enterprises and boosting export of products from small enterprises.

National Science and Technology Entrepreneurship Development Board (NSTEDB): Govt. of India established an institutional mechanism to help and promote knowledge driven and technology intensive enterprises.

National Productivity Council (NPC): It is an autonomous institution functioning under the supervision of the Ministry of Industries of Govt. of India.

|                 |                         |
|-----------------|-------------------------|
| A               | B                       |
| 100             | 100                     |
| UTILIZATION 100 | U. 90                   |
| F.G 80/ W 20    | F,G 90/ W 0 BANKING(10) |

National Institute for Small Industry Extension and Training (NISJET): It is an autonomous body of the Ministry of Small-Scale Industries. UNIDO has recognized NISJET as an institution of meritorious performance under its Centre of Excellence Scheme to extend aid.

National Institute for Entrepreneurship and Small Business Development (NIESBUD): The policy, direction and guidance to the institute is provided by its Governing Council whose chairman is the Ministry of SSI. 9/12

State level Banks for ED:

SFCs (State Financial Corporation):

The SFCs came to be organized in individual states after the enabling Central Act to this effect came into force in August 1952. They are state-level organizations for the provision of term finance to medium and small-scale industries. The share capital has been contributed by the state governments, the RBI (transferred to the IDBI after its separation from the RBI in February 1976), the IDBI, scheduled banks, insurance companies, and others. The control of SFCs is shared by the state governments and the IDBI(Industrial Development Bank of India ).

The SFCs are authorized to provide financial assistance in all the four major forms, namely loans and advances, subscription to shares and debentures, underwriting of new issues, and guarantee of loans from third parties and deferred payments. As in the case of all-India development banks, the bulk of the SFC finance (about 90 per cent) is made available in the form of loans and advances. They have not yet developed many other forms of financial assistance.

SIDCs (State Industrial Development Corporation) and SIICs (State Industrial Investment Corporation):

IDBI: The SIDCs/SIICs came on the scene much after the SFCs. Whereas the SFCs of the state governments and IDBI (earlier, the RBI) the SIDCs/SIICs have been set up entirely by state governments. Besides providing finance, these institutions perform a variety of functions, such as arranging for land, power, roads, licenses for industrial units, sponsoring the establishment of such units, especially in backward areas, etc.

Entrepreneurship sickness:

Faulty management decisions and actions are a common cause of sickness in the small scale sector. Poor maintenance of plant and machinery, lack of quality control system, absence of inventory management, lack of cost control, and non-replacement of obsolete machinery.

Industrial sickness is defined all over the world as "an industrial company (being a company registered for not less than five years) which has, at the end of any financial year, accumulated losses equal to, or exceeding, its entire net worth and has also suffered cash losses in such financial year and the financial capacity.

#### 1. INADEQUACY OF WORKING CAPITAL

Some units turn out sick due to inadequacy of working capital. There may be a delay in sanction of working capital by financial institutions. Industrial units find it difficult to meet our day to day operations due to the time gap between sanction of term loan and working capital needs. Shortage of Working Capital is one of the main reasons for sickness.

#### 2. NON-AVAILABILITY OF CREDIT

Sickness in the SSI sector may be attributed to non-availability of credit. Delay in getting loans may result in stoppage of work or lead to production loss. Low production may lead to reduced sales which in turn may lead to financial loss. 11/12

#### 3. POOR AND OBSOLETE TECHNOLOGY

Some industrial units use technology which is outdated. Outdated technology may affect the quantity and quality of production. This results in production loss and reduces demand for the goods.

#### 4. NON AVAILABILITY OF RAW MATERIAL

Some units may require raw materials which are scarcely available. Sometimes, the raw material required by the unit may not be available in abundance. Hence, this affects the production and the sales of the goods. If the raw material is not abundantly available, then the industrial units have to spend a large amount of money to buy them. This may result in financial loss.

#### 5. MARKETING PROBLEMS

Sometimes, the industrial units may not know as to how to create demand for the products. Lack of marketing knowledge may result in less demand for the goods. Similarly, there may be less demand for the goods produced by the SSI due to competition or change in the taste of the buyers.

For example, a lot of units producing dyes and ceramics have been found sick in Gujarat and Tirupur.

#### 6. ERRATIC POWER SUPPLY

Shortage in power supply affects the industries. This results in delay in production of goods and leads to financial losses.

#### 7. LABOUR PROBLEMS

The relationship between the employer and the employees may not be cordial. Some of the labour problems such as strike, lay off, lock out may lead to industrial sickness.

#### 8. POOR MANAGEMENT

The entrepreneur must be a good planner, organizer and a manager. If the Industrial Unit promoters lack managerial skill, then it may lead to several problems.

#### 9. INADEQUATE ATTENTION TO R&D

Industries have to allocate a part of money in research and development to survive and compete with competitors. Failure to focus on the above may lead to industrial sickness

#### 10. DIVERSION OF RESOURCES

If the employer utilizes the funds obtained for the business for any personal purposes, then diversion of funds will lead to industrial sickness. The funds used for personal purposes cannot be regenerated and hence it may result in delay in payment of loans or financial crisis for the borrower of the loan.

If the raw material is supplied to big farms or industries then SSIs will face problems.

#### 11. GLOBALIZATION

Small scale industrial units may find it very difficult to compete with large scale industries and foreign competitors. Inability of the units to face growing competition due to liberalization and globalization may lead to industrial sickness.

#### 12. DISPUTE AMONG PARTNERS

There may arise disputes between the partners or family members running the unit. This results in stoppage of work and leads to industrial sickness.

#### 13. OVERAMBITIOUS PROJECTS

The project may not be technically feasible, such an overambitious project is one of the reasons for industrial sickness.

#### REMEDIAL MEASURES TO OVERCOME SICKNESS

Some of the remedial measures to curb and overcome sickness in industrial undertakings are as follows:

##### 1. IDENTIFYING SICKNESS AT INITIAL STAGE

Sickness in Small Scale Industries is not a sudden phenomenon but it is a gradual process taking 5 to 7 years eroding the health of a unit beyond cure. Therefore, the identification and detection of sickness at the incipient stage is the first and foremost measure to detect and reduce industrial sickness. Sickness must be identified at the initial stage.

##### 2. FINANCIAL ASSISTANCE

Lending agencies need to relax their lengthy process and other norms for extending credit to the SSIs. To combat the incidence of sickness financial institutions should grant credit without delay to the SSI sector. 15/12

A number of initiatives can be undertaken to overcome credit problems such as:

1. Increasing Working capital limit.
2. Enhancing the powers of bank managers of specialized bank branches in offering credit to SSI.
3. Strengthening the mechanism for discounting bills.
4. Reduced rate of interest.

These measures would improve the flow of credit and keep a check on the incidence of sickness.

##### 3. IMPROVING INFRASTRUCTURE

Infrastructure facilities can be improved by setting up industrial estates. Common testing centres etc., infrastructural problems can be solved by improving the roadways, waterways, establishing telecommunication systems.

##### 4. TECHNOLOGY UP-GRADATION

Funds may be provided by the financial institutions for adoption of advanced technology. Similarly, some sort of training may be provided for use of the latest technology to overcome technological problems. Technological up-gradation can help to overcome technological obsolescence.

##### 5. MARKETING ASSISTANCE

Marketing assistance may be provided to entrepreneurs for marketing the goods produced by them. Government must help to market the goods. Government and Non -Government Organizations (NGOs) can come forward for marketing the goods produced by the SSI sector. The problem of poor marketing of the products can be solved by coordinated efforts of entrepreneurs and promotional agencies.

##### 6. LIQUIDATION

It is better to wind up the business when there is no possibility to revive the unit.

##### 7. GOVERNMENT INTERVENTIONS

Interventions must be made by the government to prevent sickness. Periodic review of financial statements can help to identify and prevent sickness at the initial stage.

#### 8. TRAINING

A proper environment must be created where an entrepreneur will be educated and will have a proper knowledge, skill and experience about the internal and external environment of business to compete with large-scale industries and multinational companies.

#### 9. REHABILITATION

Potentially viable sick units should be dealt well for the purpose of rehabilitation. Rehabilitation is a remedy considered for industrial units, which have already become sick and for the units that are on the verge of collapse.

Under the provisions of SICA, 1985, the Government of India has established Board for Industrial and Financial Reconstruction (BIFR) in January 1987 for determining the preventive, ameliorative, remedial and other measures which are required to be taken in respect of sick industrial company and for expeditious enforcement of rehabilitation schemes.